

## Message Text

PAGE 01 STATE 024067

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

USSAGE NAKHON PHANOM

CINCPAC HONOLULU HI

COGARD POLAD

XMT AMEMBASSY SUVA

UNCLAS STATE 024067

E.O. 11652 N/A

TAGS: PFOR, QFN US

SUBJECT: FEBRUARY 5 EA PRESS SUMMARY

INDOCHINA

1. ALL PAPERS PROMINENTLY FEATURE SUBMISSION TO CONGRESS OF RECORD FY 75 BUDGET; MOST MENTION PORTIONS COVERING MIL AND ECON AID TO INDOCHINA. LEVINE (WSJ) REPORTS THAT NEW BUDGET PROVIDES 1.9 BILLION DOLS FOR SEA MILITARY OPERATIONS, WITH 450 MILLION TO SUPPORT US FORCES IN THAILAND AND THE REST FOR SVN FORCES. VOLZ (NYDN) COMMENTS THAT ALTHOUGH US SIGNED VN C-F LAST YEAR, US MIL AID UNCLASSIFIED

PAGE 02 STATE 024067

TO SVN WILL JUMP BY 550 MILLION FOR WEAPONS AND SUPPLIES. NYT OPINES THAT 80 PERCENT INCREASE IN MIL AID TO SVN, TO TOTAL OF 1.45 BILLION, SEEMS CERTAIN TO ENCOUNTER RESISTANCE IN CONGRESS. GETLER

(WP) POINTS OUT THAT VN WILL COST TAXPAYER MORE NEXT YEAR THAN THIS, SINCE NEW BUDGET REQUESTS 1.9 BILLION FOR SEA, UP 650 MILLION FROM FY 74. GETLER QUOTES "PENTAGON" THAT INCREASE IS RESULT OF "C- F NOT WORKING AS WELL AS WE HAD HOPED", AND THAT 562 MILLION LEFT OVER FROM PRIOR YEAR FUNDS MAY KEEP NEW EXPENDITURES LOWER. CSM COMPARES 1.45 BILLION REQUEST TO THIS YEAR'S 800 MILLION FOR SVN. MCLEAN (CHITRIB) QUOTES PRES. ON MIL AID TO SVN

THAT, IN KEEPING WITH PARIS AGREEMENT, IT WILL BE USED ONLY FOR REPLACEMENT OF EQUIPMENT AND AMMO. MCLEAN ADDS THAT OTHER INDOCHINESE COUNTRIES WILL RECEIVE AID THROUGH 1.3 BILLION DOL MIL AID REQUEST, AND THAT NEW BUDGET ADDITIONALLY REQUESTS 648 MILLION IN ECON AID FOR INDOCHINA. CAHILL (NYDN), UPI (CHITRIB) AND MILIUS (WP) NOTE 648 MILLION DOLS FOR POSTWAR RECONSTRUCTION IN INDOCHINA. MILIUS ADDS THAT ANY REQUEST FOR NVN AID WILL BE DEALT WITH SEPARATELY BECAUSE OF STIFF CONGRESSIONAL RESISTANCE.

2. GVN MILITARY SOURCES SAY ITS FORCES LANDED ON TWO MORE OF DISPUTED SPRATLY ISLANDS. SEMI-OFFICIAL SAIGON PAPER SAYS LANDINGS MADE WITHOUT INCIDENT, FOLLOWING UNOPPOSED LANDINGS ON TWO ISLANDS EARLIER THIS WEEK. TROOPS FROM TAIWAN AND PHILS, WHO ALSO CLAIM ISLANDS, ALREADY BELIEVED TO BE ON SEVERAL OF

THEM. PRC ALSO CLAIMS ISLANDS BUT HAS SENT NO FORCES THERE (AP, NYT). SVN SPOKESMAN DENIES REPORTS THAT ROC AND PHILS WOULD UNITE WITH SVN TO OPPOSE ANY PRC ATTEMPT TO TAKE SPRATLYS (CSM). REUTER SAIGON REPORTS GVN MFA REJECTS CHINESE CLAIM, REAFFIRMS THAT SPRATLYS AND PARACELS ARE SVN TERRITORY ACCORDING TO "ALL HISTORICAL, GEOGRAPHIC LEGAL DATA AS WELL AS PRESENT REALITIES", ADDS THAT GVN WILL DEFEND SPRATLYS. STATEMENT CAME AFTER CHINESE MFA SAID THAT CHINA WOULD UNCLASSIFIED

PAGE 03 STATE 024067

NOT TOLERATE SVN MOVES TO REINFORCE SPRATLYS. PRO-GVN VIET STUDENT'S GROUP REPEATS SUNDAY AD IN WP.

3. SHARKEY (WP) QUOTES AFP HANOI THAT DRV DEPUTY PREMIER LE THANH NGHI SAID FIRST CP CONGRESS IN 14 YEARS HAS BEEN HELD IN NVN. NGHI STATED LAO DONG PARTY ADOPTED ECON PLANS FOR '74 AND '75, AS WELL AS DRAFT 5-YEAR PLAN FOR '76-'80. NGHI PREDICTED THAT, IF TARGETS MET, DRV WOULD SCORE "NOTABLE SUCCESSES" COMPARED TO '65, LAST YEAR OF FULL PRODUCTION BEFORE US BOMBING CAMPAIGN, WITH '74 GNP 21 PERCENT OVER '65 FIGURE. SHARKEY COMMENTS THAT NGHI STATEMENT, REPORTEDLY GIVEN TO NATIONAL ASSEMBLY, APPARENTLY

DEALT ONLY WITH ECON MATTERS, AND IN VERY GENERAL TERMS. US ANALYSTS HAVE BEEN AWAITING PARTY CONGRESS, REPORTEDLY UNDER PREPARATION SINCE JULY, FOR INDICATION OF THINKING ON RENEWED WARFARE IN SVN. AS MORE DETAILS ON CONGRESS BECOME AVAILABLE, ANALYSTS WILL LOOK FOR DECISIONS ON SUCH ISSUES AS LEADERSHIP

(PARTICULARLY IF POST OF PARTY CHAIRMAN, VACANT SINCE HO'S DEATH, IS FILLED), RELATIONSHIP BETWEEN PARTY AND ARMY, AND RELATIVE ROLES OF INDUSTRY AND AGRICULTURE. REUTER HK QUOTES NVN NEWS AGENCY REPORT THAT NGHI TOLD NATIONAL ASSEMBLY THAT MOST MAIN ROADS, BRIDGES, PORTS, INDUSTRIAL PLANTS AND IRRIGATION SYSTEMS HAVE BEEN RESTORED SINCE C-F, AND THAT PUBLIC SERVICES HAD RESUMED "NORMAL ACTIVITIES".

4. CSM FROM VIENTIANE QUOTES AUSSIE PM WHITLAM, AFTER MEETING WITH SOUVANNA, THAT HE UNDERSTANDS RLG AND PL WILL SIGN IN FEW DAYS DOCUMENTS LEADING TO COALITION GOVT. CSM ALSO QUOTES OBSERVERS THAT AGREEMENT WILL ESTABLISH JOINT POLICE FORCE, LAST OBSTACLE TO COALITION AGREED TO IN GENERAL TERMS LAST SEPT.

CHINA

5. PRC ACCUSES GVN OF HAVING "INVADED AND OCCUPIED" SOME OF SPRATLYS; WARNS IT WILL NOT "TOLERATE INFRINGE-UNCLASSIFIED

PAGE 04 STATE 024067

MENT OF CHINA'S TERRITORIAL INTEGRITY AND SOVEREIGNTY" BY SAIGON "ON ANY PRETEXT" (AFP, NYT). SUN'S ISAACS, IN HK, OBSERVES THAT WHILE PEKING'S WARNING RAISES PROSPECT OF ANOTHER POSSIBLE MILITARY CLASH WITH SVN, SITUATIONS DIFFER: SPRATLYS LIE SO MUCH FARTHER FROM MAINLAND THAT PRESUMABLY PRC WOULD NEED MORE ELABORATE MILITARY OPERATION TO CONFRONT VIETS THERE. SPRATLYS ALSO PROBABLY OUT OF PRC COMBAT AIRCRAFT RANGE, AND PARACELS FIGHTING WAS IGNITED BY VIET HARASSMENT OF CHINESE FISHERMEN.

6. REUTER'S SHARP, IN PEKING, SAYS CHINA'S PROTEST HAD BEEN WIDELY PREDICTED SINCE LAST WEEK'S GVN ANNOUNCEMENT THAT VIET COMMANDOS SENT TO SPRATLYS. WHILE STATEMENT DID NOT SPECIFY ACTION PEKING WOULD TAKE, "OBSERVERS BELIEVE THE CHINESE WILL, IF NECESSARY, ACT AS DECISIVELY AS THEY DID" IN PARACELS. NOTES PEKING HAS ALSO PROTESTED JAPAN-SK PACT ON OIL EXPLOITATION IN E. CHINA SEA, AND REPORTS BELIEF OF OBSERVERS THAT BECAUSE OF POSSIBLE OIL DEPOSITS IN OFFSHORE AREAS, CHINA MAY WISH TO SEEK AGREEMENTS WITH HER NEIGHBORS SOON IN ORDER TO OBTAIN INCONTESTABLE

DELIMITATION OF HER OWN WATERS.

7. TAIPEI ALSO PROTESTS SVN'S SPRATLY LANDINGS,  
FM SPOKESMAN PROTESTING THAT ISLANDS BELONG TO GRC.

ABOUT 400-600 ROC TROOPS OCCUPY LARGEST OF SPRATLYS  
(UPI, WP).

8. SUN HK REPORTS THAT PEKING, IN ASSAULTS ON PRE-  
LIBERATION LAND-OWNING FAMILIES WITH SURNAME "K'UNG" --  
SAME AS CONFUCIUS' -- 25 CENTURIES AFTER CONFUCIUS  
DEATH, IS OUTDOING OLD TESTAMENT GOD WHO ONLY VISITED  
SINS OF FATHERS UPON CHILDREN "UNTO THE THIRD AND  
FOURTH GENERATIONS." SHARP SAYS SHANGHAI IS AGAIN  
TAKING LEAD IN CRITICIZING ENTRENCHED AUTHORITY,  
ACCORDING CHINA PRESS REPORTS TUESDAY. RECENT TRAVELERS  
FROM SHANGHAI HAVE REPORTED POLITICAL FERMENT AMONG  
DOCK WORKERS AGAINST MANAGEMENT AND OTHER ASPECTS  
OF ENTRENCHED AUTHORITY. CAMPAIGN RECEIVING VAST  
UNCLASSIFIED

PAGE 05 STATE 024067

PUBLICITY IN CHINESE PRESS, IS REGARDED BY MANY  
PEKING OBSERVERS AS "SECOND PHASE" GPCR IN WHICH  
NOTICEABLE DRIFT AWAY FROM SOME OF RADICAL POLICIES  
AND POLITICAL ATTITUDES FAVORED DURING CULTURAL  
UPHEAVAL IS BEING CORRECTED (REUTER).

9. IN ANOTHER DISPATCH, SHARP REPORTS "SHIVER OF  
UNEASINESS" PASSING THROUGH PEKING DIPLOMATIC COMMUNITY  
AFTER SERIES OF CHINA PRESS ARTICLES SUGGESTING  
GROWING PRC WARINESS OF BOTH FOREIGNERS AND THINGS  
FOREIGN. SAYS MOOD IS IN MARKED CONTRAST WITH THIS  
TIME LAST YEAR WHEN PEKING'S SUCCESSES IN WINNING  
DIPLOMATIC RECOGNITION SEEMED MATCHED BY GREATER  
READINESS TO RUB SHOULDERS WITH FOREIGNERS ON ECON,  
CULTURAL AND PERSONAL LEVELS. FORMER PERIOD OF  
OPTIMISM AMONG FOREIGNERS IN PEKING HAS BEEN DAMPENED  
IN RECENT WEEKS WITH PUBLICATIONS OF ARTICLES THAT  
IN EFFECT CAUTIONED CHINESE NOT BE BOWLED OVER BY  
GLITTER OF THINGS FOREIGN OR NON-SOCIALIST IN ORIGIN.  
FIRST CAME "RED FLAG" ARTICLE SEEMINGLY QUESTIONING  
WISDOM OF IMPORTING EXPENSIVE FOREIGN TECHNOLOGY;  
LATER, "PEOPLE'S DAILY" REVIVED CRITICISM OF WESTERN  
CLASSICAL MUSIC AND COMPOSERS; THEN, "PEOPLE'S DAILY"  
ATTACKED ANTONIONI'S "CHINA" DOCUMENTARY. FOLLOWING  
THESE EVENTS, VISITS OF FRENCH AND CANADIAN ORCHESTRAS  
TO CHINA APPEAR IN BALANCE; AND WHETHER ANTONIONI  
CRITICISM SIGNALS CLAMPDOWN ON EXISTING LATITUDE  
GIVEN REPORTERS REMAINS TO BE SEEN. SOME ANXIOUS  
TALK IN PEKING OF ANOTHER GPCR. BUT DESPITE UNEASINESS  
AMONG DIPLOMATS, LITTLE SIGN THAT ATTACKS ON FOREIGN  
CULTURE WILL RESULT IN MAJOR CHANGE IN CHINA'S GENERALLY

OUTGOING FOREIGN POLICY AT GOVT-TO-GOVT LEVEL, AND NO HINT COUNTRY IS GIRDING ITSELF FOR ANOTHER BOUT OF SELF-IMPOSED ISOLATION. SHARP CONCLUDES THAT

ONE REASSURING FACT FOR ALL FOREIGNERS IS THAT PRESS CRITICISMS HAVE NOT LED TO ANY PERCEPTIBLE CHANGE IN ATTITUDE OF CHINESE MAN-IN-THE-STREET TOWARDS FOREIGNERS (REUTER).

10. LATEST ILLINOIS BUSINESS REVIEW ISSUE SAYS UNCLASSIFIED

PAGE 06 STATE 024067

PROSPECTS OF US-CHINA TRADE ARE LIMITED AND US EXPORTS TO PRC MAY ALREADY HAVE EXCEEDED SUSTAINABLE LEVEL. AUTHOR, PROF. SCHRAM, SAYS US MAY GARNER UPPER LIMIT OF 20 PERCENT OF CHINA'S TRADE, BUT TOTAL IMPORTS FROM US MIGHT REACH ROUGHLY 700 MILLION DOLS, ADDING ONLY ABOUT 1 PERCENT OF TOTAL US MERCHANDISE EXPORTS (NYDN).

11. IN ISLAMABAD, AZIZ (CSM) SAYS FRIENDLY PRC-PAK STATUS APPARENTLY NOT WEAKENED BY PAKS' EFFORTS TO IMPROVE RELATIONS WITH SOVIET. HIGHER-POWERED CHINESE MIL DELEGATION HAS JUST CONCLUDED 12-DAY PAK VISIT, REASSURING COUNTRY THAT CHINA'S WEAPONS ASSISTANCE WILL CONTINUE FLOW; BHUTTO RESISTS KREMLIN'S CALL TO SUPPORT SOVIET-SPONSORED ASIAN SECURITY ALLIANCE -- PLAN STRONGLY OPPOSED BY PEKING; AND PRC ECON AID TO PAKS CONTINUES.

JAPAN

12. TANAKA WARNS BUSINESS LEADERS HE WILL "RESTRICT THEIR ACTIVITIES" BY LAW IF THEY DON'T COOPERATE WITH GOVT. TO CURB COUNTRY'S RAPIDLY RISING PRICES (WP). JOC'S CULLISON, IN TOKYO, ADDS THAT "UNUSUAL" TANAKA WARNING INCLUDED PROGRAM FOR INSPECTION OF WAREHOUSES AND COMPELLING FIRMS TO RELEASE INVENTORIES.

13. ALMOST 2,000 PACKAGES OF ORIGAMI PAPER IMPORTED FROM JAPAN SEIZED BY US MONDAY BECAUSE EACH PACKAGE CONTAINED DYE THAT CAN CAUSE CANCER IF SWALLOWED BY CHILDREN (REUTER, WP).

KOREA

14. ROKG BANS ASAHI DISTRIBUTION WITHIN COUNTRY ON GROUNDS IT PUBLISHED ARTICLES "UNFRIENDLY AND UNFAIR" TO SK; HOWEVER, GOVT. NOT CONSIDERING CLOSING PAPER'S SEOUL BUREAU OR RESTRICTING ITS SEOUL REPORTORIAL ACTIVITIES (NYT; WP). POND (CSM), NOTING THAT SINCE JAN. 8 JAPANESE PAPERS HAVE CAUTIOUSLY AVOIDED

REPORTING ABOUT SK POLITICAL DISSIDENTS AND DETENTIONS,  
UNCLASSIFIED

PAGE 07

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